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## Revenue Budget 2019-20

The non-real estate tax revenue is used to reduce the impact on property taxes from the municipal budget. There are some significant changes that are noted in the appropriate lines.

**Interest – Taxes** – No change is proposed from the current fiscal year. The current interest rate on unpaid property taxes is 8%, which rose from 7% the previous fiscal year. The dollar figure is about \$395 higher than the actual in 17/18. As you can see from the “actual” line, the amount collected thus far is on pace for far more than \$11,000. Much of that is due to collections on a couple of significant tax liens where the homes have sold and the closing involved paying off the tax liens. We may not see that bump in the upcoming fiscal year.

**Auto Excise Tax** – We experienced a significant rise in excise tax collections beginning a couple of years ago. In the 17/18 fiscal year we collected just under \$400,000, which meant a good bump up for undesignated fund balance (surplus). We increased this to \$350,000 for the current fiscal year. Given the actual from the previous year, a conservative increase to \$360,000 is budgeted. Auto sales seem to have fallen off a bit in recent months, and I’m leery about increasing the line too much.

**Boat Excise Tax** – This line remains unchanged at \$3,500, which is about the 5-year average.

**Administration Fees** – Most of what we sell are photocopies and for sending faxes. We’ve averaged \$300/year and no change is proposed this year, though it might continue to drop a bit as more and more information is available on line.

**Tax Lien Charges** – The various fees for filing, discharging and sending lien copies by certified mail offset the expense in the administration budget. The \$3,500 is unchanged from the current fiscal year.

**Agent Fees** – A \$100 increase is proposed, based on actual agent fee collections. This fluctuates a lot and is driven by the number of vehicle registrations and vital records sales.

**Revenue Sharing** – Who knows what a new administration will do with state Municipal Revenue Sharing fees. The LePage Administration was focused on reducing the statutory amount due to towns. That reduction was supposed to end in the next fiscal year which could be a significant bump up in revenue sharing, but the figure proposed on the budget is based on the actual amount received in FY 17/18. While this reduces property taxes, it is only in the budget to give an idea of what the budget impact is for property taxes. It is not included on the revenue article before town meeting because the town meeting is not able to control it.

**General Assistance Reimbursement** – We are reimbursed 70% of what is spent on General Assistance, and the figure represents 70% of the line in the Administration budget.

**Investment Interest** – The town has benefitted from a couple of factors in regard to investment interest. We have increased the amount held in the bank thanks to fairly conservative budgeting and a strong surplus, and interest rates in general have risen significantly. In FY 17/18 investment income rose to almost \$19,400. The proposed amount in the 19/20 budget is \$15,000, up \$4,000 from the current fiscal year. I hope that return remains high.

**Cell Tower Rental** – The figure for the current and next fiscal year remain unchanged.

**Hodgkins Trust Fund** - \$10,000 is proposed to be used from this fund which is limited to parks and municipal building use. This matches the Lamoine Beach Park playground equipment line, which would likely be a suitable match for the fund.

**Surplus Use** – Undesignated fund balance will be tapped for \$100,000 to help offset property tax increases. We do not have the final surplus figure from the end of FY 18/19 yet, but I'm confident that this will not bring the town below the \$300,000 surplus target! This is (however) \$70,000 less than what was appropriated from Surplus for the current year.

**General funds Total** – The income from those various sources is \$46,005 lower than the current fiscal year.

**CEO Fees** – The town collected just over \$8,000 in various fees related to building construction in FY 17/18. We budgeted \$10,000 for FY 18/19 and were on pace to collect that. Building may slow a bit, so the \$8,000 budget represents a lower expectation.

**CEO Fund Transfer** – At last check, the CEO fund had more than \$52,000 and can absorb a hit for \$2,000 to help reduce the property tax impact. We will need to hit that hard for the current fiscal year due to increased CEO time.

**Plumbing Fees** – As noted in the CEO Budget, 25% of the plumbing fees go to the State of Maine, the other 75% to the LPI. This simply mirrors the total of those expense lines. If we make less, we pay less, if we make more, we pay more.

**Total CEO Revenues** – The total CEO Revenue line is up \$8,000 from the current fiscal year, the same amount as the plumbing fees line. Bottom line is, no change from the current year, just an accounting change.

**Other non property tax funds**

Road Assistance – This is the amount the state sends to help with capital road funding. Again, we don't know what a new Governor will order, but this has been a bit stagnant the past few years. No change is proposed at \$20,000.

Road Fund Use - Because of the drop in paving planned, nothing is proposed to be appropriated from the road fund for the 19/20 fiscal year at this time. This should allow some replenishment to occur. The fund had just over \$75,000 at the end of FY 18/19.

Transfer Station Capital – This is a new fund established by town meeting last March. We deposited our withdrawal from MRC funds in this account. The \$15,000 use is to be used to hire an engineering firm to create a new design for the 25-year old facility. See a further explanation in the capital budget. There is currently over \$114,000 in that account.

Animal Control Fees – It is anticipated we'll collect \$1,600 in dog license fees. This helps offset the Animal Control Officer's costs.

**Total Revenue** – The only line not yet factored into revenue as of 11/20/18 is recreation fees. The Selectmen meet with the Rec Committee on 11/29/18. Total revenue proposed for the municipal budget is \$878,281.30.30, which is a decrease of about \$116,322.07. Most of that is a drop in the use of surplus and road fund use. We can discuss using more surplus, but the tax commitment for the municipal side of the budget is proposed to decrease by \$46,000 (mind you the entire municipal budget is not yet entered).

Respectfully submitted,

Stu Marckoon